

REVIEWED
2/20/07
LJG

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

LARGE MINING OPERATIONS 2006 PROGRESS REPORT
January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: M 210004
2. Mine Name: Escalante Silver Mine
3. Name of Operator/Permittee: Hela Mining Company
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.
4. Mine Location: 3 miles WSW of Beryl Junction SE 1/4, Section 2, TS 36S, R 17W
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material: None - mine closed
Gross Ore Mined _____ Tons, or _____ yd³
Waste Material Moved _____ Tons, or _____ yd³
New Disturbance _____ Acres during 2006
Area Reclaimed _____ Acres during 2006
Total Disturbed Area 28 Acres*
Was the ore shipped off site? If not, where is the ore located? _____
Yes - off site
Where is the waste located? Waste dump & tailings impoundment
- *Total life of mine disturbance to the end of 2006.
6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).
No reclamation performed in 2006. Site is monitored for revegetation of waste dump & tailings impoundment.
7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Paul L. Glader
Title of Operator: Manager Environmental Services
Signature of Operator: [Signature]
Date: 1/26/07



January 26, 2007

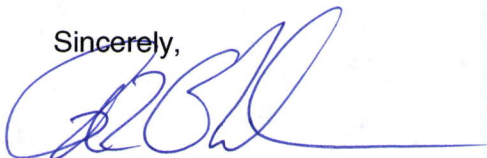
Mr. Doug Jensen
Environmental Scientist/Reclamation Engineer
State of Utah – Dept of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Escalante Silver Mine 2006 Annual Report – M210004

Dear Doug,

Per your request dated January 10, 2007, enclosed is the completed 2006 Annual Report for Hecla Mining Company's Escalante property.

Sincerely,

A handwritten signature in blue ink, appearing to read "P. Glader", written over a horizontal line.

Paul L. Glader
Manager Environmental Services

Encl.

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FEB 02 2007
DIV. OF OIL, GAS & MINING